

Table 60b

**Distribution of expected percentage return on IT-based innovation investment over the next 3 years for innovators, by selected company characteristics: 2001**

(Percent distribution)

Characteristic	Total	Expected return				Nonresponse
		None	Less than 10 percent	10 to 25 percent	More than 25 percent	
Innovators <sup>1</sup> .....	100.0	S	23.6	34.6	22.8	17.4
IT.....	100.0	S	8.8	38.7	36.8	14.7
Manufacturing.....	100.0	0.0	S	38.0	S	S
Communication.....	100.0	0.0	S	26.7	47.5	S
Computer related services.....	100.0	S	S	42.3	36.9	S
Non-IT.....	100.0	S	27.2	33.6	19.4	18.0
Manufacturing.....	100.0	0.0	S	S	S	S
Transportation & public utilities.....	100.0	S	31.7	31.7	S	S
Finance, insurance & real estate.....	100.0	S	S	34.9	S	26.5
Engineering & AAB services.....	100.0	S	S	34.9	27.7	S
By revenue size						
\$2.5M to \$4.9M.....	100.0	S	17.4	34.5	30.3	16.3
\$5M to \$9.9M.....	100.0	S	26.2	38.0	18.3	14.3
\$10M to \$24.9M.....	100.0	0.0	33.6	27.0	20.8	18.5
\$25M to \$50M.....	100.0	S	S	S	S	S
Above \$50M.....	100.0	S	S	31.3	S	S

<sup>1</sup> To be classified as an innovator, the company had to indicate that it had developed a product or process in the past 12 months or believed it would develop a product or process in the next 12 months as a result of IT-based innovation. The survey was conducted during the period July 2001–April 2002.

**KEY:** IT=information technology; AAB=accounting, auditing, bookkeeping; S=suppressed for reasons of reliability due to receiving less than 20 responses

**NOTES:** Two versions of question 20 were administered to test different lengths of time for companies to report expected returns on IT-based investment. Approximately half of the respondents were administered each version. Responses are to question 20, version 2: "Considering your company's investment in IT-based innovation in the past 12 months, approximately what average annual percentage return do you expect to realize over the next three years?" This question was only asked of innovators. Total nonresponse consists of item nonresponse and don't know responses. Percentages are calculated excluding 574 cases, representing 16,700 companies that were alternatively asked to report their companies expected return on IT-based innovation this year rather than over the next three years. Percentages are based on unrounded frequencies and may not total 100 due to rounding.

IT is defined as the hardware and software that support the production or use of computer-based information systems, the infrastructure necessary to access such information systems, or data processing services. Companies are classified as IT or Non-IT based on their 4-digit SIC number. IT Manufacturing includes companies with SICs of 3571-3579, 3651, 3661-3679, 3895, 3823-3826. IT Communication includes companies with SICs of 4812-4822, 4832, 4833, 4841-4899. IT Computer related services includes companies with SICs of 7371-7379. Non-IT Manufacturing includes companies with SICs of 2011-3569, 3581-3648, 3652, 3691-3694, 3699-3822, 3827-3999. Non-IT Transportation & public utilities includes companies with SICs of 4011-4231, 4412-4789, 4911-4971. Non-IT Finance, insurance & real estate includes companies with SICs of 6011-6036, 6081-6153, 6159, 6162-6799. Non-IT Engineering & AAB services includes companies with SICs of 8711, 8721.

**SOURCE:** National Science Foundation, 2001 Information Technology Innovation Survey.